

## **Long Term Care Insurance Rate Request Summary Part 2 –To Be Completed by Bureau of Insurance**

Company Name and NAIC Number: New York Life Insurance Company, 66915

SERFF Tracking Number: NWLT-132081271

Disposition: Approved & Filed

Approval Date: 2/22/2022

### **Revised Rates**

Average Annual Premium Per Member: \$3,194.00

Average Requested Percentage Rate Change Per Member: 53.8%

Minimum Requested Percentage Rate Change Per Member: 0.0%

Maximum Requested Percentage Rate Change Per Member: 80.0%

Number of Policy Holders Affected: 3,005

### **Summary of the Bureau of Insurance's review of the rate request:**

The Company requested a rate increase averaging 53.8% for this block of individual long-term care insurance policy forms. The rate increase request was reviewed by Virginia's State Corporation Commission and was found to be compliant with applicable Virginia laws and regulations addressing long-term care insurance.

The Virginia Bureau of Insurance's consulting actuary reviewed the documentation and determined that the rate request complies with the requirements for a rate increase set forth in 14VAC5-200-150 and 14VAC5-200-153 of the Virginia Administrative Code for policies issued prior to October 1, 2003 and later. The review indicated that the anticipated loss ratio, reflecting claims payout, will be 75.2% with the increase, which exceeds the minimum required loss ratio of 60%.

The primary reasons for the rate increase are that policyholders are living longer and keeping their policies in force longer, which has resulted in more and larger claims being filed than the Company anticipated when the policy was originally priced. The Company determined that a premium increase is necessary to reflect that future claims are expected to be significantly higher on these policies than originally expected or priced and to ensure that sufficient funds are available to pay claims.

The company has elected to take a unique approach by guaranteeing premium rates will not change again after this adjustment. Each policy will be endorsed to be non-cancellable rather than guaranteed renewable.

The Company is offering all policyholders options to reduce the premium increase by reducing their coverage. These reductions could be in the form of lower daily benefits, a shorter benefit period, a longer elimination period, the termination of riders or any combination of these reductions, or a paid-up policy. Specific options are included in the letter sent to all policyholders notifying them of the rate increase and can be discussed with the Company by calling its customer service department.

The filing can be reviewed on the Bureau's webpage under the Rate/Policy Form Search at:  
<https://scc.virginia.gov/boi/SERFFInquiry/LtcFilings.aspx>